

EXHIBIT 22



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CONFIDENTIAL

15th July 2011

Our Ref: Q/N087/11/SETE/R1-1

Sete Brasil
Rua Nilo Pecanha 50
Suite 409- Rio de Janeiro.

Attn: Mr. Pedro Barusco

Dear Sir,

PROPOSAL FOR NEWBUILD DSS38E-DP3 SEMISUBMERSIBLE RIG

Reference to our recent discussion on latest round of Petrobras tenders; we hereby present our proposal for Semi Submersible Drilling Rig based on our DSS38E-DP3 design. Our proposal is as follows:

1. PRICE & DELIVERY

Our firm price to provide design, engineering, procurement of materials and equipment to construct one unit of KFELS DSS38E-DP3 delivery ex-yard Brasil will be **United States Dollars Seven Hundred Ninety-Eight Million (US\$798,000,000/-)** with a delivery schedule of **48 months**.

This amount is pegged at USD\$1.00=R\$1.56 applying the escalations formula set out in Appendix A.

The Price offered does not include any projected price escalations during construction duration. The formulas to cover these escalations, if any, are set forth in Appendix A - Proposed Price Escalation Formula.

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2. BASIS OF OFFER

The basis of our proposal is as follows:

- a) KFELS DSS38E DP3 design as specified in our Contract Technical Specification (CTS) Rev E dated 8th July 2011 and General Arrangement Rev E dated 11th July 2011 as provided on 11th July 2011.

Exclusion includes:

- a) Supply, installation and commissioning of any Third party equipment (mud logging unit, wire-line logging unit, well test equipment, mud centrifuge etc).
- b) Drilling loose items (spiders, tubular, drill strings etc).

3. PROPOSED PAYMENT TERM

Our offer is based on mutually acceptable progress payment terms according to the milestones in our construction schedule. Due to the dynamics of shipyards operating in Brazil, we require the cashflow during the construction to be positive, hence we are open to discuss in details with Sete Brasil on the payment terms and payment currencies involved for these newbuild projects.

4. PROPOSED TERMS AND CONDITIONS

This proposal shall be valid for thirty (30) days.

Any associated bonus from Petrobras will be split 50% to Keppel FELS.

5. PROPOSED JOINT VENTURE STRUCTURE

The proposed Joint Venture (JV) shall be Keppel FELS Ltd (10-20%), Queiroz Galvão Óleo e Gás S.A (20%) and Sete Brasil (60-70%). The proposed financing model for this project shall be 20% equity and 80% financing to be secured by Sete Brasil.

6. PROPOSAL SUBJECT TO KEPPEL & SETE BRASIL BOARD APPROVAL

This proposal is subjected to Keppel & Sete Brasil Board Approval.

7. CONFIDENTIALITY AGREEMENT

All information contained in the Proposal is confidential and will be held in strict confidence by the addressee. The information will not be disclosed, in any part thereof to any person, except to those employees, officers, directors and affiliates at all levels of the addressee who are involved in the

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tender process of the KFELS DSS38E-DP3 Semi Submersible Drilling Rig, on a need to know basis.

We look forward to a favorable response from you as soon as possible.

Yours faithfully,
Keppel FELS Ltd



Chow Yew Yuen
Managing Director
Keppel Offshore and Marine

ATTACHMENTS:

- Appendix A: Proposed Price Escalation Formula

Appendix A - Proposed Price Escalation Formula

Brazilian Content Portion:

The Parties agree, however, that the amount related to the effectively proven Brazilian Local Content, according to Exhibit XVI of this Agreement shall be subject to the following formula:

$$PM = PO \times \frac{PTAXo}{PTAXm} \times Fy$$

Where:

PM : Monthly Adjusted Brazilian Local Content Amount in US dollars (or Euros);

PO : Contractual Payment, related to the effective Brazilian Local Content, in US Dollars (or Euros), determined in the monthly Measurement Report;

PTAXo : The sale foreign exchange rate of the US dollar (or Euro), published by Central Bank of Brazil on the data base system called SISBACEN, site PTAX 800 – Option 5, corresponding to two working days before the Contractor Commercial Proposal issued date;

PTAXm : The sale foreign exchange rate of the US dollar (or Euro), published by Central Bank of Brazil on the data base system called SISBACEN, site PTAX 800 – Option 5, corresponding to the last Business Day of the measurement period;

Fy : Yearly adjustment factor determined by the following parametric formula, calculated every twelve months counted from the Contractor Commercial Proposal issued date, to express the escalation costs related to the Brazilian Local Content:

$$Fy = 0,40 \times \frac{MOn}{MOo} + 0,40 \times \frac{FAn}{FAo} + 0,20 \times \frac{En}{Eo}$$

Where,

MOn : Definitive value of the Price Index corresponding to “Custo de construção - Mão-de-obra – Município do Rio de Janeiro – Coluna 10 - FGV (código A0159401)” representing the cost of man power, referred to the month preceding the one to which the adjustment is due.

MOo : Definitive value of the Price Index corresponding to “Custo de Construção - Mão-de-obra - Município do Rio de Janeiro - Coluna 10 – FGV (código A0159401)” representing the cost of man power, referred to the month preceding the one to which the Contractor Commercial Proposal was issued.

FA_n : Definitive value of the Price Index corresponding to "*Indústria de Transformação – Metalurgia Básica - Coluna 30 - FGV (código 1006823)*", representing the cost of raw materials in the price composition, referred to the month preceding the one to which the adjustment is due.

FA₀ : Definitive value of the Price Index corresponding to "*Indústria de Transformação – Metalurgia Básica - Coluna 30 - FGV (código 1006823)*", representing the cost of raw materials in the price composition, referred to the month preceding the one to which the Contractor Commercial Proposal was issued.

En : Definitive value of the Price Index corresponding to "*Máquinas e Equipamentos —FGV série IPA-EP - Bens Finais - Bens de Investimento - Máquinas e Equipamentos (código 1004812)*", representing the cost of construction equipment in the price composition, referred to the month preceding the one to which the adjustment is due.

E₀ : Definitive value of the Price Index corresponding to "*Máquinas e Equipamentos —FGV série IPA-EP - Bens Finais - Bens de Investimento - Máquinas e Equipamentos (código 1004812)*", representing the cost of construction equipment in the price composition, referred to the month preceding the one to which the Contractor Commercial Proposal was issued.

Foreign Content Portion

$$PM = PO \times Fy$$

Where:

PM: Adjusted Foreign Content Amount in U.S. Dollars.

PO: Portion of Contract Price corresponding to the Foreign Content in US Dollars included in the Measurement Report.

Fy: Yearly adjustment factor determined by the following parametric formula, calculated every twelve months, and counted from the Proposal Submission Date:

$$Fy = 0.95 \times \frac{OFGME}{OFGME_0} + 0.05 \times \frac{ECI}{ECI_0}$$

Where:

OFGME: Definitive value of the Price Index corresponding to "*Oil and Gas Field Machinery and Equipment (code PCU333132333132)*" published by "*United States Bureau of Labor Statistics Data – BLS*", for the month immediately preceding the month to which the adjustment is due (i.e., each twelve (12) month anniversary of the Proposal Submission Date).

OFGME₀: Definitive value of the Price Index corresponding to "*Oil and Gas Field Machinery and Equipment (code PCU333132333132)*" published by "*United States Bureau of Labor Statistics Data – BLS*", for the month immediately preceding the month in which Contractor's Commercial Proposal was submitted.

ECI: Definitive value of the Price Index corresponding to "*Employment Cost Index, Total Compensation, Private Industry*" published by "*United States Bureau of Labor Statistics Data -- BLS*", for the month immediately preceding the month to which the adjustment is due (i.e., each twelve (12) month anniversary of the Proposal Submission Date).

ECI₀: Definitive value of the Price Index corresponding to "*Employment Cost Index, Total Compensation, Private Industry*" published by "*United States Bureau of Labor Statistics Data -- BLS*", for the month immediately preceding the month in which Contractor's Commercial Proposal was submitted.

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